
**MINUTES OF THE WORK SESSION
BOARD OF MAYOR AND ALDERMEN
FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
TUESDAY, AUGUST 24, 2010 – 5:00 P.M.**

Board Members

Mayor John Schroer	P	Alderman Dana McLendon	P
Alderman Clyde Barnhill	P	Alderman Ken Moore	P
Alderman Pearl Bransford	P	Alderman Ann Petersen	P
Alderman Beverly Burger	A	Alderman Michael Skinner	P
Alderman Margaret Martin	P		

Department Directors/Staff

Eric Stuckey, City Administrator	P	Eric Gardner, Engineering Director	P
Vernon Gerth, ACA Community/Economic Dev	P	Shirley Harmon, HR Director	P
Russell Truell, ACA Finance & Administration	P	Mark Hilty, Water Management Director	P
David Parker, City Engineer		Gary Luffman, BNS Director	
Shauna Billingsley, City Attorney	P	Catherine Powers, Planning/Sustainability Dir	P
Rocky Garzarek, Fire Chief		Joe York, Streets Director	P
Jackie Moore, Police Chief	P	Brad Wilson, Facilities Project Manager	
Fred Banner, MIT Director	P	Lanaii Benne, Assistant City Recorder	
Becky Caldwell, Solid Waste Director	P	Linda Fulwider, Board Recording Secretary	P
Lisa Clayton, Parks Director			

1. Call to Order

Mayor John Schroer called the BOMA Work Session to order on Tuesday, August 24, 2010 at 5:00 p.m. in the City Hall Boardroom.

2. Citizen Comments

None

WORK SESSION DISCUSSION ITEMS

3. Flood Mitigation Program Report

Eric Stuckey, City Administrator

a) Hazard Mitigation Program Presentation

Tom Marsh, COF team working with TEMA, gave an update.

- COF team met with TEMA representatives on August 12
- Funding for program has not been established, expected by end of this year
- Franklin is eligible as a NFIP participant and as a participant in an approved hazard mitigation plan (Williamson County)

HMGP Program

- Eligible activities – significantly reduce or permanently eliminate the loss of life and property

from natural disasters

- Two phases in response to this disaster
 - Phase 1 – Acquisition of residential properties in floodplain
 - Phase 2 – Any other project that will mitigate problems from this event
- 75/25 match program for property acquisition
 - State will cover half of local match, COF obligation is 12.5%

Phase 1 Description

- Voluntary program – resident must submit Letter of Interest (LOI), but can withdraw up to closing
- Flood insurance NOT required
- Substantially damaged property in floodplain (FP) does not require benefit/cost analysis
- Benefit/cost analysis required for properties that are not substantially damaged
- City must demolish structures within 90 days of closing
- Property must remain in ownership of City

Process Recommendation

- Conduct public meeting (advertised and promoted across the community) to explain the program
- Provide a 30-day period within which residents may submit a Letter of Interest (LOI)
- Describe COF priorities (in order):
 1. Substantially damaged properties in FP
 2. Properties not substantially damaged but in FP and benefit community from a mitigation standpoint
 3. Other property that may benefit the community from a mitigation standpoint
- Once LOI's are received, City will evaluate and rank the properties based on the priorities, assess the cost of acquisition, and the cost to maintain
- Board will then determine if it will participate and at what level (# of properties, total match requirement, ongoing maintenance costs)

The City must demolish structures within 90 days and the City must retain ownership of the properties. Permanent structures cannot be constructed on these properties. Residential properties must have been occupied on the day of the flood.

Eric Stuckey asked if the Board would be comfortable with initiating the public process and continuing to pursue the grant program. Some property owners have contacted the City to acquire their properties. Other property owners will be informed their properties are candidates for the program. The information is on the City website. Staff will continue to update the Board.

4. Discussion of Employee Pension Options

Eric Stuckey, City Administrator

Russ Truell, ACA Finance & Administration

Shirley Harmon, Human Resources Director

- Employees hired in the last five years (includes only those currently employed)

Department	Number Hired	Median Age at Hire	% Under 35 at Hired (early career)	%35 or older at Hire (mid-career)
Fire	40	31	70%	30%
Department	Number Hired	Median Age at Hire	% Under 35 at Hired (early career)	%35 or older at Hire (mid-career)
Police	58	38	64%	36%
Public Works	57	37	32%	68%
Other	73	35	48%	52%

Public Works includes Streets, Solid Waste, Water

Other includes Administration, BNS, Engineering, Finance, HR, Law, MIT, Parks, Planning

<u>Assumptions:</u>				
	Option 2 Current Plan with 5% EE Contribution	Option 3 Restructured Plan (like TCRS)	Option 5 Defined Contribution (3% match)	Option 5 Defined Contribution (8% match)
Rate of inflation (COLA)	2.0%	2.0%	2.0%	2.0%
Rate of salary growth above inflation	1.0%	1.0%	1.0%	1.0%
Starting Salary	\$35,000	\$35,000	\$35,000	\$35,000
Age at start of employment	25	25	25	25
Investment earnings rate	6.0%	6.0%	6.0%	6.0%
Years of Service	30	30	30	30
Multiplier	2.0%	1.5%	n/a	n/a
Contribution rate (employer)	7.0%	8.0%	3.0%	8.0%
Contribution rate (employee)	5.0%	0.0%	3.0%	8.0%
Total Required Contribution rate	12.0%	8.0%	6.0%	16.0%
Earnings rate (estimated)	6.0%	6.0%	6.0%	6.0%
Years of service	30	30	30	30
Final average salary	average 3 yrs	average 5 yrs	n/a	n/a
Expected distribution rate @50	n/a	n/a	4.6%	4.6%
Expected distribution rate @55	n/a	n/a	4.9%	4.9%
Expected distribution rate @60	n/a	n/a	5.5%	5.5%
Expected distribution rate @65	n/a	n/a	6.8%	6.8%
Expected distribution rate @67	n/a	n/a	7.0%	7.0%
Expected distribution rate @70	n/a	n/a	8.0%	8.0%

<u>Valuation for Age 25, Pay Grade 13</u>				
	Option 2 Current Plan with 5% EE Contribution	Option 3 Restructured Plan (like TCRS)	Option 5 Defined Contribution (3% match)	Option 5 Defined Contribution (8% match)
Total Value of Benefit (\$)	464,272	348,204	232,136	619,029
Contributions from Employer (\$)	116,560	149,863	49,954	133,211
Contributions from Employee (\$)	83,257	0	49,954	133,211
Investment Earnings (\$)	264,455	198,341	132,228	352,607
Contributions from Employer (%)	25%	43%	22%	22%

Contributions from Employee (%)	18%	0%	22%	22%
Investment Earnings (%)	57%	57%	57%	57%
(Continued)	Option 2 Current Plan with 5% EE Contribution	Option 3 Restructured Plan (like TCRS)	Option 5 Defined Contribution (3% match)	Option 5 Defined Contribution (8% match)
Annual Benefit @ 25 Years (\$)	35,584*	25,926**	7,539	18,874
Annual Benefit @ 30 Years (\$)	48,061	35,016	11,375	30,332
Annual Benefit @ age 55	48,061	35,016	11,375	30,332
Annual Benefit @ age 60	66,951	48,779	20,093	53,581
Annual Benefit @ age 65	88,703	64,627	35,606	94,949
Annual Benefit @ age 70	115,684	84,285	59,344	158,251
% of final salary @ 30 years (2040)	58%	42%	14%	37%
Final salary (last year of service)	82,480	82,480	82,480	82,480
Final average salary (3 or 5 years)	80,101	77,813	n/a	n/a
*Minimum age 55 with 25 years of service				
**Regular retirement at age 60 or 30 years of service				

Graphs: Accumulated Employee Contributions as a Multiple of Pay by Age – Entry Age 25 using Option 5 – DC (3% Match) and Option 5 – DC (8% Match), Annual Benefit as a Multiple of Pay by Age – Entry Age 25 showing all options

<u>Valuation at Age 35, Pay Grade 13</u>				
	Option 2 Current Plan with 5% EE Contribution	Option 3 Restructured Plan (like TCRS)	Option 5 Defined Contribution (3% match)	Option 5 Defined Contribution (8% match)
Total Value of Benefit (\$)	464,272	348,204	232,136	619,029
Contributions from Employer (\$)	116,560	149,863	49,954	133,211
Contributions from Employee (\$)	83,257	0	49,954	133,211
Investment Earnings (\$)	264,455	198,341	132,228	352,607
Contributions from Employer (%)	25%	43%	22%	22%
Contributions from Employee (%)	18%	0%	22%	22%
Investment Earnings (%)	57%	57%	57%	57%
Annual Benefit @ 25 Years (\$)	35,584*	25,926**	8,463	22,567
Annual Benefit @ 30 Years (\$)	49,502	36,066	15,785	42,094
Annual Benefit @ age 55	18,417	17,891	5,280	12,815
Annual Benefit @ age 60	35,584	25,926	8,463	22,567
Annual Benefit @ age 65	49,502	36,066	15,785	42,094
Annual Benefit @ age 70	66,951	48,779	29,394	72,759
% of final salary @ 30 years	58%	44%	19%	51%
Final salary (last year of service)	82,480	82,480	82,480	82,480
Final average salary (3 or 5 years)	80,101	77,813	n/a	n/a
*Minimum age 55 with 25 years of service				
**Regular retirement at age 60 or 30 years of service				

Graphs: Accumulated Employee Contributions as a Multiple of Pay by Age – Entry Age 35 Option 5 – DC (3% Match) and Option 5 – DC (8% Match) and Annual Benefit as a Multiple of Pay by Age – Entry Age 35 showing all options

<u>Valuation at Age 45, Pay Grade 13</u>				
	Option 2 Current Plan with 5% EE Contribution	Option 3 Restructured Plan (like TCRS)	Option 5 Defined Contribution (3% match)	Option 5 Defined Contribution (8% match)
Total Value of Benefit (\$)	464,272	348,204	232,136	619,029
Contributions from Employer (\$)	116,560	149,863	49,954	133,211
Contributions from Employee (\$)	83,257	0	49,954	133,211
Investment Earnings (\$)	264,455	198,341	132,228	352,607
Contributions from Employer (%)	25%	43%	22%	22%
Contributions from Employee (%)	18%	0%	22%	22%
Investment Earnings (%)	57%	57%	57%	57%
Annual Benefit @ 25 Years (\$)	34,548*	25,171**	12,309	32,825
Annual Benefit @ 30 Years (\$)	48,061	35,016	23,214	61,903
Annual Benefit @ age 55	8,870	6,462	1,533	4,088
Annual Benefit @ age 60	15,424	11,238	3,229	8,610
Annual Benefit @ age 65	23,841	17,370	6,669	17,784
Annual Benefit @ age 70	34,548	25,171	12,309	32,825
% of final salary @ 30 years	58%	42%	28%	75%
Final salary (last year of service)	82,480	82,480	82,480	82,480
Final average salary (3 or 5 years)	80,101	77,813	n/a	n/a
*Minimum age 55 with 25 years of service				
**Regular retirement at age 60 or 30 years of service				

<u>401(a) Investments</u>				
<ul style="list-style-type: none"> • Top Two Investment Funds <ul style="list-style-type: none"> ▪ 314 Participants ▪ Balance \$1.52 million ▪ 63% of total balance 				
Fund	1 Year	3 Year	5 Year	10 Year
VT Vantagepoint Model Portfolio	11.23%	-3.93%	1.62%	1.46%
VT Vantagepoint Model Portfolio Long-Term Growth	12.68%	-6.08%	1.24%	.54%

<u>457 Plan Participation</u>		
Age Group	Number of Participants	Average Annual Contribution
18-30	8	\$2,432
31-40	34	\$2,147
41-50	25	\$2,796
51-60	18	\$5,985
61+	6	\$3,859
Total of 91 employees currently contribute to the voluntary 457 plan		

Recommendation

- **Option #6 Conversion Program**

Includes Employee choice at hire between Option 2 (Existing Pension with 5% employee contribution) and Option 5 (Defined Contribution ranging from 3-8% with an employer match). A one-time conversion opportunity would be offered to the employee at vesting (5 years of service).

- Provides flexibility and choice to employees
- A recruiting advantage, a choice not offered by most employers
- Creates employee contribution
- Limits City funding obligation compared to the existing program
- Creates an option more portable than existing program and more like that used in private business.

Discussion

- Defined Benefit versus Defined Contribution
- All options could be tweaked
- Graphs show age and multiple of salary accumulated by retirement. Chart represents Defined Contribution and ability to receive money equal to 12 times pay. Graph depicting payments rather than lump sum payment.
- Defined Contribution money for self and heirs.
- 25% of people live to age 90
- IT WAS AGAIN STRESSED THE NEW PLAN IS JUST FOR FULL TIME EMPLOYEES HIRED AFTER FEBRUARY 15, 2010. EMPLOYEES IN CURRENT PLAN STAY IN CURRENT PLAN.
- Differences in costs to the City and reduction in City contributions
- Pros and cons of employee managed investments
- City has cap at 100% of salary
- Bring forward recommendation for BOMA vote and move forward

5.* Consideration of Event Permit Application for Westhaven 5K on September 18, 2010
Jackie Moore, Police Chief

No questions or comments

6.* Consideration of Event Permit Application for Centennial High Homecoming Parade on September 24, 2010

Jackie Moore, Police Chief

Questions asked by Alderman Barnhill were answered by Monique McCullough.

7. Consideration of Event Permit Application for Hope on Wheels Bike Ride on September 11, 2010

Jackie Moore, Police Chief

No questions or comments

8.* **Consideration of Event Permit Application for Franklin Cowboys Homecoming Parade on September 24, 2010**

Jackie Moore, Police Chief

Eric Stuckey related staff recommends an alternate route and the applicant requests the traditional route for the parade.

Alderman McLendon opined allow the traditional route or tell everyone else there is a new route. Mr. Stuckey advised this is unique because it is a Friday night and more disruptive. Both Mayor Schroer and Alderman McLendon said it was allowed last year and to date, there have been no complaints. It is a motorized parade that begins and ends very quickly. Consensus was to approve the traditional route as submitted.

9.* **Consideration of Event Permit Application for Battle of Franklin Anniversary at Harlinsdale Farm on October 16 and 17, 2010**

Lisa Clayton, Parks Director

Alderman Skinner noted representatives were present and asked that they come forward to address the event. Jenifer Esler and John Marler of the Battle of Franklin Trust spoke of their experiences in reenactment. This event is a dress rehearsal for the national event in 2014. They are working on this event with all interested parties and said it would be a fun event for people in community and tourists.

10.* **Consideration of Memorandum of Understanding Between The Williamson County Board of Education and The City of Franklin Regarding Breezeway Elementary Project**

Shauna Billingsley, City Attorney

Mr. Stuckey related this is the final MOU and speaks of the positions of both entities and the unique circumstances of moving the process forward.

11.* **Consideration of Interlocal Agreement Between Williamson County Board of Education and The City of Franklin Regarding Breezeway Elementary Project**

Shauna Billingsley, City Attorney

Mr. Stuckey advised all the terms and commitments, and conditions are incorporated in the Agreement: including what WCBOE pays, additional sewer capacity, additional tap fees, traffic signalization, traffic mitigation identified by the City, Breezeway entrance improvements, and general landscaping.

Alderman McLendon said rather than the Board agreeing to pay tap fees based on what the WCS engineer specified, shouldn't BOMA retain the right to approve the numbers. Normally that isn't delegated. He isn't concerned there would be dishonesty or incompetence, just that the authority is delegated. Mayor Schroer asked school board representatives present if they were amenable to an amendment that the City would approve the engineering report. They agreed.

12. Consideration of the Re-Establishment of The Franklin Leadership University Employee Development Program and Initiation of Customer Service Training

Eric Stuckey, City Administrator

Shirley Harmon, Human Resources Director

Eric Stuckey related 110 employees are eligible to retire in the next five years. The reestablishment of Franklin Leadership University (FLU) would help build a pipeline of leaders going forward. He noted 23 employees from the 50 that participated in the past were promoted. He also requested to initiate pilot customer service programs in the City Revenue Management/Customer Service area and the Building and Neighborhood Services Department.

The total cost for both programs is \$37,000 based on 24 FLU students. Funding of approximately \$15,000 has been identified within the HR budget toward this effort. The additional \$15,000 to \$22,000 would need to be provided through a budget amendment.

Shirley Harmon said the employees involved in FLU previously were enthusiastic and it is a good tool for a succession plan. Participants are nominated by the City Administrator, ACAs, directors, and the HR Director.

13. Consideration of Interlocal Agreement and Amendment with Williamson County Government for the Transfer of Received Funds from The Justice Assistance Grant Program (JAG) in the Amount of \$5,336.00 to Williamson County Government (COF 2010-0113)

Jackie Moore, Police Chief

No questions or comments

14. Consideration of ORDINANCE 2010-58, An Ordinance to Amend Various Sections of The City of Franklin Municipal Code, Title 17, Refuse and Trash Disposal Relating to the Codifying of Various Fees and Penalties

Vernon Gerth, ACA Community and Economic Development

No questions or comments

15. Consideration of ORDINANCE 2010-59, An Ordinance Amending The City of Franklin Municipal Code, Title 22 – Comprehensive Fees and Penalties for the Purpose of Codifying the Fees and Penalties Found in Title 17

Vernon Gerth, ACA Community & Economic Development

No questions or comments

16. Consideration of Program Year 2010-11 Emergency Shelter Grant Sub-Recipient Agreements for Bridges of Williamson County and My Friends House (Contract #2010-0114 & #2010-0115)

Vernon Gerth, ACA Community & Economic Development

The City is a pass through entity for funds. The \$34,033 distribution of funds: BRIDGES \$26,809, My Friend's House \$5,600 and COF Administration \$1,624.

17. Other Business

None

ADJOURN

Work Session adjourned @ 6:38 p.m.

Mayor John C. Schroer

Minutes prepared by: Linda Fulwider, Board Recording Secretary, City Administrator's Office – 9/1/2010 8:17 AM